

determine that a regional approach is more appropriate for their situation.

(Authority: 20 U.S.C. 1208aa(j)(1))

Subpart C—How Does the Secretary Make a Grant to a State?

§ 464.20 What payment does the Secretary make?

(a)(1) From sums available for purposes of making grants under this part for any fiscal year, the Secretary allots to each State, that has an application approved under §§ 464.10–464.11, an amount that bears the same ratio to those sums as the amount allotted to the State under section 313(b) of the Act for the purpose of making grants under section 321 of the Act bears to the aggregate amount allotted to all States under that section for that purpose.

(2) In applying the formula in section 313(b) of the Act to calculate grants under this part, the Secretary counts the number of adults only in States that have approved applications under this part.

(b)(1) The Secretary pays to each State the Federal share of the cost of activities described in the application.

(2) For purposes of this section, the Federal share—

(i) For each of the first two fiscal years in which the State receives funds under this part, may not exceed 80 percent;

(ii) For each of the third and fourth fiscal years in which the State receives funds under this part, may not exceed 70 percent; and

(iii) For the fifth and each succeeding year in which the State receives funds under this part, may not exceed 60 percent.

(3) If a State receives funds under this part for participation in a regional center, the State is required to provide only 50 percent of the non-Federal share under paragraph (b)(2) of this section.

(4) The non-Federal share of payments under this section may, in accordance with 34 CFR 80.24, be in cash or in kind, fairly evaluated, including plant, equipment, or services.

(Authority: 20 U.S.C. 1208aa(c)(1), (i), (j)(2))

§ 464.21 May the Secretary require a State to participate in a regional center?

(a) If, in any fiscal year, a State's allotment under this part is less than \$100,000, the Secretary may designate that State to receive the funds only as part of a regional center.

(b) Paragraph (a) of this section does not apply to a State—

(1) That demonstrates, in its application to the Secretary, that the total amount of Federal, State, local, and private funds expended to carry out the purposes of this part would equal or exceed \$100,000; or

(2) That will use its funds to expand an existing State literacy resource center that meets the purposes of the Act and the requirements in this part.

(Authority: 20 U.S.C. 1208aa(j)(3), (4))

§ 464.22 May a State participating in a regional center use part of its allotment for a State center?

In any fiscal year in which § 464.20(b)(3) applies, the Secretary may allow certain States that receive funds as part of a regional center to reserve a portion of those funds for a State adult literacy resource center under this part.

(Authority: 20 U.S.C. 1208aa(j)(5))

Subpart D—How Does a State Award Contracts?

§ 464.30 With whom must a State contract to establish a State literacy resource center?

(a) To establish a new State literacy resource center, the Governor of each State that receives funds under this part shall contract on a competitive basis with—

- (1) The SEA;
- (2) One or more local educational agencies;
- (3) A State office on literacy;
- (4) A volunteer organization;
- (5) A community-based organization;
- (6) An institution of higher education; or
- (7) Another non-profit entity.

(b) Paragraph (a) of this section does not apply to funds under this part that